

SENATE CONCURRENT RESOLUTION NO. 22

WHEREAS, Social Security is a federal program that does not recognize the retirement needs of many Missourians; and

WHEREAS, Social Security tax revenues alone will be insufficient to pay current benefits as early as the year 2015; and

WHEREAS, the Social Security Trust Funds may be completely exhausted by the year 2037; and

WHEREAS, the investment return on Social Security contributions made by workers today is significantly below that available from other sources; and

WHEREAS, workers deserve the opportunity to invest more productively for their own retirements; and

WHEREAS, more retirement investment opportunities might dramatically increase workers' savings rate and retain more young adults who otherwise would leave the state for jobs elsewhere; and

WHEREAS, the unfunded liability of the Social Security system exceeds \$9 trillion, according to the Chairman of the Federal Reserve System; and

WHEREAS, many workers are already facing very low or even negative rates of return on their lifetimes of Social Security contributions; and

WHEREAS, the aging of the United States population means that fewer and fewer active workers will be supporting more and more retirees under today's pay-as-you-go financing for Social Security; and

WHEREAS, this ration of retirees to workers has shrunk from 42 to 1 in 1935 when the program was first started, to less than 3 to 1 today and soon fall to less than 2 to 1; and

WHEREAS, raising payroll or income taxes to compensate for this demographic shrinkage will mean that today's workers get an even worse return on their federal retirement contributions than they do now; and

WHEREAS, broadly cutting Social Security benefits also would worsen rates of return; and

WHEREAS, states and localities that allow their own employees to invest a portion of their taxes for retirement have shown that workers can do better for themselves with such accounts than under Social Security; and

WHEREAS, an increasing number of countries, including Australia, Chile, Mexico, Poland, Hungary, Khazakstan, Sweden, and the United Kingdom, now allow their citizens to allocate their taxes to such personal retirement accounts; and

WHEREAS, the Social Security Trustees have consistently and repeatedly stated in their annual reports that the Social Security system will be unable to deliver on its long-term promises under

its current financing scheme; and

WHEREAS, the public, especially younger people, are therefore rightfully suspicious of Social Security's ability to deliver on its long-term promises to them; and

WHEREAS, bipartisan Social Security reform proposals now before Congress would address these problems by creating a system of personal accounts with a portion of Social Security taxes; and

WHEREAS, the Social Security Administration's own actuaries have judged these bipartisan proposals to be fiscally sound for the next 75 years; and

WHEREAS, these proposals would reduce or eliminate the pressure for higher taxes or broadly reduced benefits while reducing Social Security's unfunded liability; and

WHEREAS, these proposals would not affect people in or near retirement, nor those eligible for or drawing Social Security's disability benefits; and

WHEREAS, the Congress has been unable to pass meaningful Social Security reform; and

WHEREAS, the State of Missouri has shown that it invests in a fiscally responsible manner and is capable of administering pension programs; and

WHEREAS, the citizens of the State of Missouri deserve better than what Social Security can deliver:

NOW THEREFORE BE IT RESOLVED that the members of the Missouri Senate, Ninety-Second General Assembly, Second Regular Session, the House of Representatives concurring therein, hereby urges the Congress of the United States to enact legislation amending the Social Security Act and other statutes to allow the citizens of the State of Missouri to voluntarily opt-out of the federal Social Security System and invest their Social Security taxes in personal retirement accounts that they themselves would own and control, the retirement accounts and investments to be approved by the State Treasurer's Office and the program to be modeled in a manner similar in concept to the Missouri Saving for Tuition 529 program; and

BE IT FURTHER RESOLVED that the Secretary of the Missouri Senate be instructed to prepare properly inscribed copies of this resolution for the President of the United States, the President of the United States Senate, Speaker of the United States House of Representatives, and the members of the Missouri Congressional delegation.